

**Opening Statement of the Honorable Greg Walden  
Subcommittee on Communications and Technology  
Hearing on “The Evolution of Wired Communications Networks”  
October 23, 2013**

*(As Prepared for Delivery)*

Wired communications networks have come a long way since the days of the telegraph or the rotary phone. It's getting harder and harder to remember a time when if you wanted to “reach out and touch someone,” Ma Bell's pair of twisted copper wires was the only option. Today's consumers have so many more options. Cable, wireless, satellite and, yes, even the telephone companies, are all offering Americans the connectivity to communicate with the world. As all of the services consumers have grown to love as stand alone networks – like voice and video – are increasingly just data applications, competition between network providers has never been more vigorous, and over-the-top providers, like Skype, Apple's FaceTime, Netflix and Hulu are bringing a new facet to competition for consumers' communications dollars.

But while their competitors have gone through successive generations of technological improvements, wired communications networks have languished. This isn't because of a lack of innovation, but rather because a declining user base, high costs, and unique regulatory mandates have conspired to make the economics of upgrade untenable. Today, however, we stand on the cusp of two transitions in the wires network: the IP transition and the upgrade of networks to fiber. These transitions are a natural evolution as technology advances, greater capabilities develop, prices drop and competition forces the market to respond.

While some of the costs to upgrade have changed and wireline providers are increasingly branching out beyond their voice service roots, the outdated regulations once enacted to break up a monopoly remain. Consumers have come to expect, as well they should, competition among providers and the innovative offerings that result. The question we face today is this: what is the appropriate role for the federal government in this transition?

We should be looking not only on the theoretical impact of competition policies on the market as it exists today, but also to the practical impact of the rules in an uncertain future. ILECs looking to invest in future technologies should be able to do so without the specter of maintaining legacy networks; those in the competitive community should be able to look to the future with the certainty that they have the opportunity to serve their customers; and consumers should be able to embrace this transition without an interruption in the services they already enjoy. We must strike the appropriate balance between protecting consumers, promoting competition, and not slowing the pace of needed innovation.

The Internet and wireless worlds have thrived without heavy regulation. The last thing we want to do is stifle the unprecedented growth and innovation of the Internet by subjecting it to complicated, outdated, government-imposed rules of the plain old telephone network. It's time to take a hard look at the role of regulation in the modern wired communications network marketplace, and our witnesses are here to help us do just that.

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